

35A-8-416 Bonds authorized -- Payment -- Security -- Liability -- Purpose -- Exemption from taxes except corporate franchise tax.

- (1) An authority may:
 - (a) issue bonds for any of its corporate purposes;
 - (b) issue refunding bonds for the purpose of paying or retiring bonds previously issued by it;
 - (c) issue bonds on which the principal and interest are payable:
 - (i) exclusively from the income and revenues of the project financed with the proceeds of the bonds;
 - (ii) exclusively from the income and revenues of certain designated projects, whether or not they are financed in whole or in part with the proceeds of the bonds; or
 - (iii) from its revenues generally.
- (2) Bonds issued by the authority may be additionally secured by a pledge of any loan, grant, or contributions, in whole or in part, from the federal government or other source, or a pledge of any income or revenues of the authority.
- (3) The members of an authority and a person executing the bonds are not liable personally on the bonds.
- (4)
 - (a) The bonds and other obligations of an authority are not a debt of the city, county, state, or a political subdivision, and do not constitute indebtedness for purposes of any constitutional or statutory debt limitation or restrictions.
 - (b) A bond or other obligation of an authority shall include a statement on the face of the bond or other obligation that explains that the bond or other obligation is not a debt of the city, county, state, or a political subdivision, and does not constitute indebtedness for purposes of any constitutional or statutory debt limitation or restrictions.
- (5) The city, county, state, or political subdivision is not liable on the bonds or other obligations.
- (6) These bonds or obligations may not be payable out of funds or properties other than those of the authority.
- (7) Bonds of an authority are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and, together with interest and income, are exempt from all taxes, except the corporate franchise tax.
- (8) The provisions of this part exempting from taxation the properties of an authority and its bonds and interests and income on them are part of the contract for the security of bonds and have the force of contract, by virtue of this part and without the necessity of this being restated in the bonds, between the bondholders, including all transferees of the bonds, on the one hand and an authority and the state on the other.

Renumbered and Amended by Chapter 212, 2012 General Session